

Message Text

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TO AMEMBASSY PANAMA IMMEDIATE

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E.O. 11652: GDS

TAGS: PEPR, PN

SUBJECT: HEARINGS OF SENATE ARMED SERVICES COMMITTEE
JANUARY 23, 1978

FOLLOWING IS TEXT OF EVENING READING OF JANUARY 23 SENATE
HEARINGS:

1. TODAY BEGAN THE FIRST OF FOUR DAYS OF HEARINGS. THE COMMITTEE CONCENTRATED ON THE MILITARY ASPECTS OF THE PROPOSED TREATIES, HEARING FROM ADMIRAL HOLLOWAY, CHIEF OF NAVAL OPERATIONS; GENERAL WILSON, COMMANDANT OF THE MARINE CORPS; AND GENERAL MCAULIFFE, COMMANDER-IN-CHIEF OF THE U.S. SOUTHERN COMMAND. THE QUESTIONS CENTERED ON THE MILITARY VALUE OF THE CANAL, ITS DEFENSIBILITY AGAINST VARIOUS THREATS, AND THE ROLE OF PANAMANIAN ARMED FORCES IN THE DEFENSE OF THE CANAL UNDER THE PROPOSED TREATIES.

2. IN THEIR OPENING STATEMENTS, ADMIRAL HOLLOWAY AND GENERAL WILSON EXPRESSED THE VIEW THAT IT WOULD BE
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EASIER AND LESS COSTLY TO MEET THREATS AFTER 1999 IF THE U.S. WERE TO MAINTAIN FORCES IN PANAMA BEYOND THAT TIME. HOWEVER, THEY WENT ON TO SAY THAT SUCCESSFUL DEFENSE OF THE CANAL IS NOT DEPENDENT ON CONTINUED U.S. MILITARY PRESENCE IN PANAMA. PARTICULAR EMPHASIS WAS GIVEN TO THE NEUTRALITY TREATY WHICH, IN ADMIRAL HOLLOWAY'S TERMS, GIVES THE U.S. A "RESPONSIBILITY IN PERPETUITY" FOR THE

CANAL'S DEFENSE.

3. MOST OF THE SENATORS EXPRESSED THE CONCERN THAT THE U.S. WAS GIVING IN TO PRESSURE OR BLACKMAIL FROM THE TORRIJOS GOVERNMENT AND THAT WE HAD NO GUARANTEE THAT THESE THREATS WOULD CEASE AFTER THE NEW TREATY GOES INTO EFFECT. THE WITNESSES RESPONDED THAT THE POSSIBILITY OF FURTHER PRESSURE EXISTED, BUT THE POSSIBILITY OF VIOLENCE WAS HIGHLY PROBABLE UNDER THE EXISTING ARRANGEMENT.

4. THE COMMITTEE WENT INTO CLOSED SESSION FOR THE LAST 45 MINUTES OF THE HEARINGS TO DISCUSS CONTINGENCY PLANS, FACILITIES IN PANAMA, AND THE TORRIJOS GOVERNMENT.

5. GENERAL MCAULIFFE HAD MENTIONED IN OPEN SESSION THAT THE GUARDIA NACIONAL HAD NOT BEEN INVOLVED IN ANTI-U.S. ACTIVITY DURING THE 1964 RIOTS, BUT THERE WAS EVIDENCE THAT SECTORS OF THE GUARD WERE INVOLVED IN THE BOMBINGS WHICH DESTROYED U.S. PROPERTY IN NOVEMBER 1976. HE ELABORATED DURING CLOSED SESSION. LTC. MANUEL NORIEGA, COMMANDER OF THE G-2 OF THE GUARDIA NACIONAL, HAD KNOWLEDGE OF THE PLANS BUT TORRIJOS DENIED ANY KNOWLEDGE AND DISOWNED SUCH ACTION BY MEMBERS OF HIS GOVERNMENT.

6. SENATOR BARTLETT ASKED GENERAL MCAULIFFE FOR INFORMATION ON ANY GROUPS THAT HAVE PLANNED, EXECUTED OR CONFIDENTIAL

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THREATENED VIOLENCE AGAINST THE U.S. MCAULIFFE RESPONDED THAT THERE ARE A NUMBER OF STUDENT ORGANIZATIONS WHICH ARE SMALL BUT VOCAL WHOM TORRIJOS EXERCISES CONTROL OVER AND WOULD LET LOOSE IF HE FELT A NEW TREATY WERE NOT POSSIBLE.

7. THURMOND ENDED HIS QUESTIONING BY ASKING GENERAL MCAULIFFE IF PANAMA WOULD CLOSE THE CANAL SINCE THEY DERIVE SO MUCH INCOME FROM IT. MCAULIFFE RESPONDED THAT IF THE TREATIES ARE REJECTED AND TORRIJOS SEES NO HOPE, HE WILL BE A DESPERATE MAN AND VIOLENCE WILL OCCUR. MCAULIFFE PERSONALLY DOES NOT BELIEVE THAT TORRIJOS COULD SURVIVE THE POLITICAL CONSEQUENCES OF THE TREATIES BEING REJECTED, OR THAT HIS SUCCESSOR WOULD BE ANY MORE FLEXIBLE.

8. ON THE QUESTION OF AMENDMENTS, ADMIRAL HOLLOWAY EXPRESSED THE VIEW THAT NONE WERE NECESSARY AND AS WRITTEN

THE TREATIES GIVE THE U.S. THE RIGHT TO DO WHATEVER IT WANTS IN DEFENSE OF THE CANAL. GENERAL WILSON FELT IT WAS UP TO THE SENATE TO DECIDE THE NEED FOR AMENDMENTS BUT THERE SHOULD BE A CLEAR UNDERSTANDING OF OUR RIGHT

TO RE-ENTER PANAMA IF NECESSARY. HE ADDED THAT THE
PANAMANIAN FOREIGN MINISTER HAD TOLD HIM THAT INCORPORA-
TION OF THE STATEMENT OF UNDERSTANDING WAS ACCEPTABLE
TO PANAMA. VANCE

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